



Update

**Report to the
Integrated Government Advisory Committee of
the Joint Commission on Science & Technology
August 17, 2004**



Background

- **2002 – 2003 economic decline**
 - Agencies & Institutions needed improved efficiencies
 - Suppliers wanted increased sales
 - Wilder Commission emphasized opportunity in procurement
- **Business Practices Improvement**
 - Corporations turned to Supply Chain – Spend Management
- **Savings opportunities:**
 - Consolidate multiple, duplicative contracts
 - Establish contracts where none existed
 - Better coordination and leveraging statewide volumes
 - Create increased competition
 - multi-round negotiations and
 - detailed pricing approaches
 - Use lower cost substitute items that meet quality & service standards

eVA

Internet Purchasing System

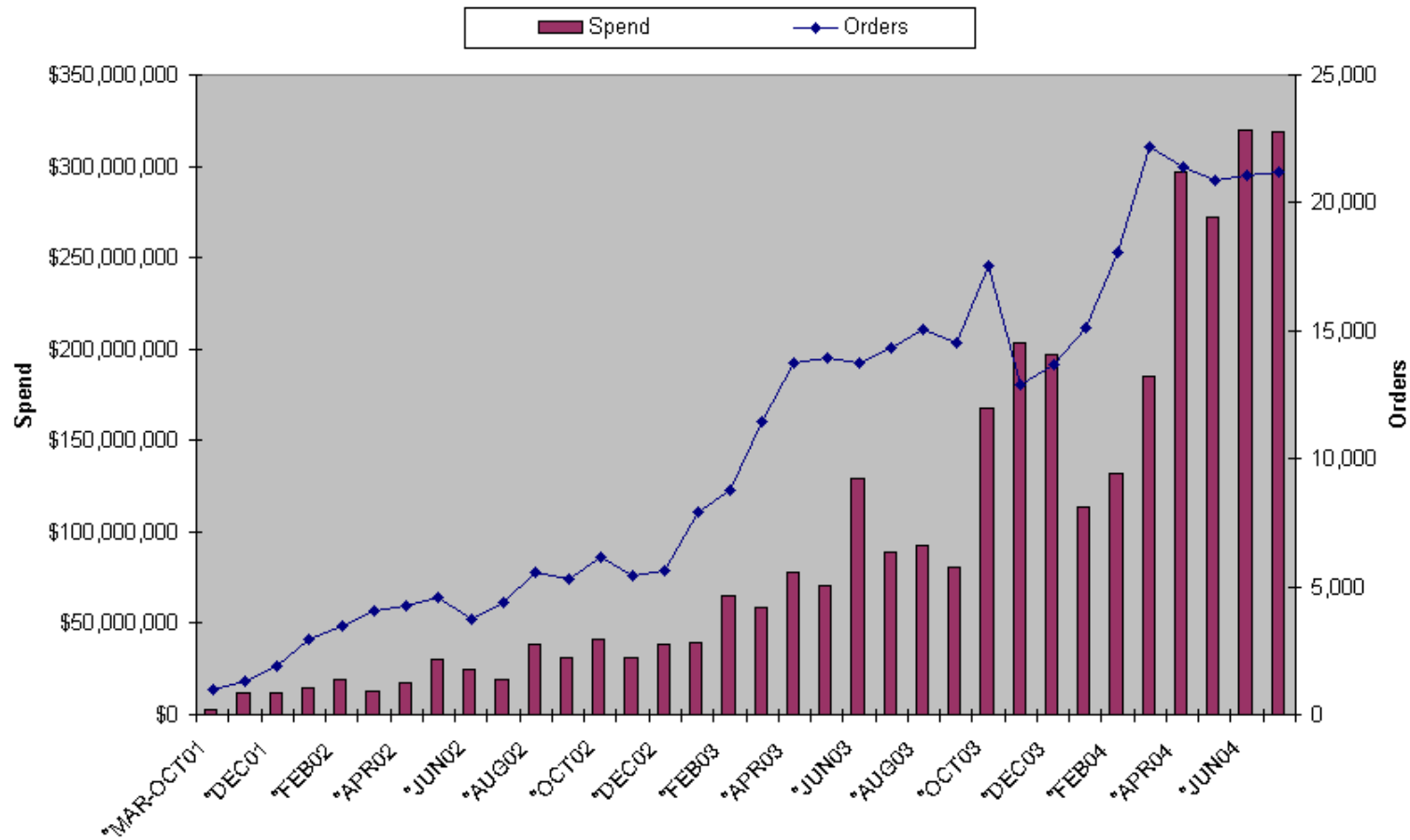


- **Electronic Procurement (e Virginia)**
 - Tool for Buyers & Sellers
 - Single web portal
 - Data Warehouse
- **Unique Public-Private Partnership**
 - CGI - American Management Systems
- **Leading the Nation**
 - Multiple national awards & recognition
- **Statistics**
 - More than 5 million goods and services available
 - 171 agencies and institutions; 412 local government agencies
 - 362,000 + purchases to date
 - \$3.3 billion in spending
 - 20,000 + registered vendors
 - over 11,000 are SWAM
- **Using the eVA Resource**

eVA Usage



eVA Summary Activity August 1, 2004





VaPP

Virginia Partners in Procurement

- **Consultant contract - competitive RFP (fall '02)**
 - Silver Oak Solutions, Inc.
 - Fixed price contract
 - Wave I - \$2.0 million
 - Wave II - \$2.8 million
 - Guaranteed return on investment
- **Services**
 - Data Analysis
 - Contract Negotiations
 - Knowledge Transfer
- **Project Goals**
 - Create value & savings from Spend Management
 - Collaboration across 200+ agencies and institutions, higher education, key municipalities and other public bodies



VaPP

Project Organization

- **Governor and Cabinet Secretaries**
- **Policy Steering Committee**
 - Secretary of Administration (chair)
 - DGS
 - VITA
 - VDOT
 - Higher Ed
 - Planning & Budget
 - Secretary of Finance
 - Agency and institutions staff
- **Commodity Evaluation/Selection Teams**
 - Silver Oak, DGS, VITA, using agencies
- **IT & non-IT**
 - Dual tracks

VaPP Data Analysis

- **Sources**

- eVA Data Warehouse
- Wilder Commission
- Department of Accounts
- Decentralized Higher Education Institutions
- Selected (voluntary) local governments
- Direct Supplier Reports

- **Targeted Commodities (\$299.9 million annual spending)**

Office Supplies	Uniforms
Paper	Computer Hardware
Janitorial	Computer Software
Temporary Services	Lab Supplies
Maintenance & Operation	Printers & PC Accessories
Enterprise Storage Devices	Heavy Trucks
Storage Media	Hotels
School Buses	Off Road Equipment

VaPP Contracts

- Teams Developed Specifications
- Multiple Solicitations, RFP's
- Supplier Meetings
- Short lists, **negotiations**, & selection
- Periodic reports to
 - Governor and Cabinet
 - APA
 - money committees



VaPP

Knowledge Transfer

- **Formal classroom training**
 - state-of-the-art procurement techniques
- **Includes:**
 - sourcing process
 - industry expertise
 - data modeling
 - reverse auctions, and
 - electronic Request-for-Proposals
- **Over 30 agency and institution contracting officers trained.**
- **Agency and institution contracting officers assuming spend management program responsibilities.**

VaPP Results

- The VAPP Program to date has resulted in:
 - Better coordination across government
 - Leveraging Virginia-wide purchasing power
 - More competitive negotiation processes
 - Increased contract spending with SWAMs
 - Efficiencies for suppliers
- Emphasis on use and close monitoring of implementation

VaPP – Current Status

- **Next Steps....**

- Analyzing categories for Wave III
- Wave III to be lead by DGS, VITA, and Other agencies and institutions w/o consultant assistance.

- **Terms & Conditions**

- Rebates & surcharges are recovering consultant costs
- Intergovernmental option (2003, HB 2701) emphasized

- **Local Government Participation**

- Participation increasing as eVA is rolled out to local governments and local schools.



Savings Current Status

Virginia Partners in Procurement Spend & Savings Summary

June 2004 and FY04 Cumulative Reports

Reporting Period: June 1 - June 30, 2004

Cumulative Period: August 1, 2003 - June 30, 2004

On-Contract Purchases June 2004 Reporting Period	Spend (millions)			Savings (millions)		
	Target	Actual	% of Target	Target	Actual	% of Target
Agencies & Non-VASCUPP IHE	\$ 6.0	\$ 10.1	168%	\$ 1.0	\$ 1.2	120%
VASCUPP	2.7	1.2	44%	0.4	0.1	25%
Municipalities & Other	7.5	9.7	129%	0.5	1.3	260%
Total	\$ 16.2	\$ 21.0	130%	\$ 1.9	\$ 2.6	137%

On-Contract Purchases FY04 Cumulative Report	Target	Actual		Target	Actual	
Agencies & Non-VASCUPP IHE	\$ 36.7	\$ 52.0	142%	\$ 5.6	\$ 6.9	123%
VASCUPP	23.0	10.4	45%	2.9	0.8	28%
Municipalities & Other	47.7	60.7	127%	3.6	7.7	214%
Total	\$107.4	\$123.1	115%	\$12.1	\$15.4	127%

National & State Awards

	March 2001	eVA Launched as Nation's "First End-to-End eProcurement Web Site."
	July 2002	Center for Digital Government 2002 Digital State Survey in the Electronic Commerce and Business Regulation Category ranked Virginia and eVA first in the country.
	Sept 2002	Commonwealth of Virginia Information Technology Symposium 2002 Gold Award for Innovation in Technology (September 2002).
	June 2003	eGov Magazine's Government Services Administration 2003 Technology Trailblazer Award.
 The Massachusetts Institute of	June 2003	The Massachusetts Institute of Technology School of Architecture and Planning and Accenture, Inc. 2003 State Government Innovator Award. Recipients were selected from nearly 200 nominations from across the United States
	Sept 2003	National Association of State Procurement Officials' 2003 Cronin Gold Award for Information Technology Innovations – eVA Internet Purchasing System.
	Sept 2003	National Electronic Commerce Coordinating Council 2003 Cost Effectiveness Through Government Award.
	August 2004	National Association of State Procurement Officials' 2004 Cronin Silver Award for Procurement Innovation – Virginia Partners In Procurement Spend Management Program.